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*Attorneys for Gateway Center, LLC*

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF UTAH

	)	
	)	Bankruptcy Case No. 09-29905
	)	Jointly Administered with Cases 09-29907
In Re:	)	and 09-29908
	)	
EASY STREET HOLDING, LLC, <i>et al.</i>	)	Chapter 11
	)	
Debtors.	)	Honorable R. Kimball Mosier
	)	
	)	<b>GATEWAY CENTER, LLC'S</b>
	)	<b>OBJECTION TO CORBIN B. GORDON</b>
	)	<b>P.C.'S FOURTH FEE APPLICATION</b>
	)	
	)	

Gateway Center, LLC ("**Gateway**"), through its attorneys Fabian & Clendenin, pursuant to the *Order Approving Motion and Establishing Monthly Fee and Expense Reimbursement Procedures* dated December 15, 2009 [Dkt. 271], objects to *Corbin B. Gordon's Fourth Professional Fee Request for the Period from March 1, 2010 to March 31, 2010* [Dkt. 423] (the "**Fourth Gordon Fee Application**") as follows:

1. Debtors Easy Street Partners, LLC, Easy Street Mezzanine, LLC, and Easy Street Holding, LLC (collectively, the “**Debtors**”) are debtors-in-possession in the above-entitled jointly administered Chapter 11 cases.

2. On October 19, 2009, the Debtors filed an application [Dkt. 104] to employ Corbin B. Gordon, P.C. (“**Gordon**”) as special counsel.

3. The application requested that the Debtors be authorized to employ Gordon as special counsel with respect to a lease (“**Lease**”) of real property from Gateway.

4. The Court granted the Debtors’ application to employ Gordon as special counsel with respect to the Lease.

5. In January 2009, Debtor Easy Street Partners, LLC (“**Partners**”) agreed to assume the interest in and obligations of Cloudnine Resorts, LLC (“**Cloudnine**”) as lessee under lease (“**Lease**”) of real property located in Park City, Utah, that Cloudnine was leasing from Gateway.

6. Cloudnine as the original lessee was not released from liability under the Lease when Partners agreed to assume it. Cloudnine is an affiliate of Partners, and is controlled by Partners’ principal and managing member, William Shoaf (“**Shoaf**”).

7. Shoaf executed a personal guaranty of the obligations of Cloudnine and Partners under the Lease in which Shoaf obligated himself to Gateway in his individual capacity.

8. Beginning in at least April 2009, Gordon represented Cloudnine in connection with the Lease. On April 13, 2009, Gordon sent correspondence to Gateway in which Gordon expressly identified himself as representing Partners’ affiliate and insider Cloudnine: “I represent

Cloudnine, L.L.C. . . .” Letter from Corbin B. Gordon to Gateway Center, LLC dated April 13, 2009, a copy of which is attached hereto as **Exhibit “A.”**

9. Gordon failed to disclose his representation of Cloudnine in the application to employ Mr. Gordon as special counsel for Partners and supporting Declaration. [Dkt. Nos. 104 & 105]

10. Gateway is pursuing Cloudnine and Shoaf for their obligations under the Lease and personal guaranty, respectively, in a lawsuit filed Third District Court for Summit County, Utah, *Gateway Center, LLC v. Cloudnine Resorts, LLC and William Shoaf*, Civil No. 100500193 (the “**State Court Lawsuit**”).

11. Gordon’s undisclosed representation of Cloudnine (which is an affiliate of Partners and/or Partners’ principal and the personal guarantor of the Lease, Shoaf) raises questions about the propriety of Mr. Gordon’s employment, as well as whether Mr. Shoaf and Cloudnine are attempting to improperly shift to the bankruptcy estate the costs of defending Gateway’s claims against them as a guarantor and the original tenant, respectively.

12. Gordon’s undisclosed representation of Cloudnine with respect to the Lease with Gateway constitutes the representation of an interest adverse to the estate with respect to which Gordon has been employed within the meaning of 11 U.S.C. § 327(e).

13. Gateway objects to the Fourth Gordon Fee Application on the grounds that Gordon is not disinterested with respect to a matter on which he is employed.

WHEREFORE, Gateway prays for entry of an Order:

A. Denying the Fourth Gordon Fee Application in its entirety on the grounds that Gordon is not disinterested on a matter on which he has been representing the estate; and

B. For such other and further relief as the Court deems just and equitable.

DATED this 23<sup>rd</sup> day of April, 2010.

/s/ Douglas J. Payne

Douglas J. Payne

Robert G. Crockett

**FABIAN & CLENDENIN**

A Professional Corporation

*Attorneys for Gateway Center, LLC*

### **CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing was served on this 23<sup>rd</sup> day of April, 2010, via ECF Notification, on the following:

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I further certify that a true and accurate copy of the foregoing was served on this 23<sup>rd</sup> day of April, 2010, via first-class mail, facsimile, and e-mail on the following:

Corbin B. Gordon  
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I further certify that a true and accurate copy of the foregoing was served on this 23<sup>rd</sup> day of April, 2010, via first-class mail, on the following:

Easy Street Partners, LLC  
4780 Winchester Court  
Park City, UT 84098

/s/ Douglas J. Payne

ND: 4830-8467-0470, v. 1